

**The
Crow's Nest
Pass Coal
Company
Limited**



**Seventeenth
Annual Report
1913**



THE CROW'S NEST PASS COAL COMPANY

LIMITED



Capital Stock (Authorized)	-	\$10,000,000.00
Capital Stock (Subscribed)	-	6,212,666.66
Capital Stock (Paid Up)	- -	6,212,666.66



STOCK TRANSFER OFFICE
COMPANY'S HEAD OFFICE, TORONTO
MINES' OFFICE—FERNIE, B.C.

REGISTRAR
NATIONAL TRUST CO., LIMITED, TORONTO

BOARD OF DIRECTORS FOR 1914

PRESIDENT

ELIAS ROGERS,
President Rogers Transportation Co., President National Life
Assurance Co., Director Imperial Bank, Director
National Trust Company.

VICE-PRESIDENT

E. C. WHITNEY,
President St. Anthony Lumber Co., Ottawa, Ont.

DIRECTORS

W. P. CLOUGH,
Vice-President Northern Pacific Railway Co., New York, N.Y.

H. B. MCGIVERIN,
Messrs. McGiverin, Haydon & Ebbs, Barristers, Ottawa.

W. H. ROBINSON,
Vice-President Granby Consolidated M. S. & P. Company, Granby,
Que.

DR. GOLDWIN W. HOWLAND,
Toronto.

ELLIS P. EARLE,
President Nipissing Mines Co., and Georgia Peruvian Ochre Co.;
Director Chatham & Phenix National Bank, New York, and
Granby Consolidated Mining, Smelting & Power
Co., Limited, New York, N.Y.

OFFICERS

Secretary.....R. M. YOUNG.
Assistant Secretary.....MISS L. M. KELLEY.
Treasurer.....ELIAS ROGERS.
Auditors.....MESSRS. LAWSON, WELCH & Co.,
Chartered Accountants.

PROCEEDINGS

OF THE

SEVENTEENTH ANNUAL GENERAL MEETING OF SHAREHOLDERS

On the 13th day of March, 1914, the Annual General Meeting of the Shareholders of the Company was held, pursuant to Notice, in the Board Room of the National Life Assurance Company, at 2.30 p.m.

The following Shareholders were present, representing 77% of the stock:

IN PERSON—

Norman Ainley
Herbert T. Baily
William Crocker
John D. Chipman
F. H. Deacon
James F. Edgar
James Gunn
Dr. G. W. Howland
Beverley Jones
Sydney H. Jones
G. G. S. Lindsey, K.C.
Solomon Lorie

Frederick W. O'Flynn
Gordon Taylor (A. E. Osler & Co.)
Sir Henry Pellatt
Elias Rogers
W. H. Robinson
Alfred Rogers
Henry Swan
Robert H. Shipman
C. T. Stark (John Stark & Co.)
Stuart Strathy
E. C. Whitney

BY PROXY—

A. L. Amys
S. G. Beckett
Brown Bros. & Co.
Mrs. Kate Brecken Black
Jules E. H. Barth

Frederick Richard Martin
Frank E. Maulson
W. Parkyn Murray
Mrs. Mary Monteith
C. G. Major and Jos. Hunter

By PROXY—*Continued*

W. P. Clough	H. B. McGiverin
Mrs. A. E. Cattermole	E. T. Nichols
Mrs. M. A. Crawford	Osler & Hammond
John L. Davison	T. H. Purdom
Miss Catherine O. Elwell	Mrs. Kate M. Perrin
Mrs. Elizabeth Folingsby	F. B. Pemberton
Estate of Samuel Finley	J. P. Studman
W. H. Goadby & Co.	Mrs. Bertha S. Spain
F. J. Gunne	C. C. Smith
Mrs. Emily H. Gemmill	Henry Swan
Geo. V. J. Greenhill	G. G. S. Symonds
Miss Lillie E. Gouinlock	Nicholas Terhune
Harris Cook & Co.	Miss Violet A. Tobin
R. Harmer	A. W. Vowell
Jeffrey Hale	Mrs. Carrie N. Waterman
Miss Edith S. Hill	E. R. Wood
O. M. Jones	D. R. Wilkie
Mrs. Frances Laurie	Jas. W. Woods
Col. the Hon. James Mason	Henry Winnett

The President, Mr. Elias Rogers, having taken the Chair, Mr. H. J. Welch was requested to act as Secretary to the meeting.

The Secretary read the Notice calling the meeting for the 13th day of March, 1914, at 2.30 p.m.

The Minutes of the Sixteenth Annual Meeting, held on the 14th day of March, 1913, and the Adjournment thereof, held on the 15th day of April, 1913, were taken as read, whereupon the President signed the same.

The Secretary then read the Seventeenth Annual Report of the Directors, and the accompanying Financial Statement.

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

The Directors beg to submit to the Shareholders their Seventeenth Annual Report, including the Statement of Assets and Liabilities as at 31st December, 1913.

The Balance to the credit of Profit and Loss Account, brought forward from 1912, amounted to \$419,423.94. The Balance at the credit of the Subsidiary Companies at December 31st, 1912, was \$26,773.16, which amount has since been placed on the books of the Coal Company.

The Net Profits of the Coal Company from all sources, including its Subsidiary Companies, for the year 1913 were \$470,465.41, leaving an amount at the credit of Profit and Loss Account to be carried forward to 1914 of \$916,662.51.

Following the custom of the past few years, these profits have been retained in the Company, resulting in a splendid improvement of its financial and physical condition.

The outstanding items in which this improved condition is reflected are:

Expenditure on Development and Improvement of	
Mines and Plant (1913).....	\$178,004.35
Bank Liabilities reduced (1913)	331,024.37

The coal mined during the year amounted to 1,166,378 tons. The coke produced during the year was 253,541 tons.

All of which is respectfully submitted.

ELIAS ROGERS,

President.

TORONTO, ONT. March 13th, 1914.

BALANCE SHEET, 31st DECEMBER, 1913

ASSETS

Cash on hand and in Bank...	\$ 32,163.66	
Accounts Receivable.....	400,113.65	
Inventories—Coal, Coke and Stores.....	211,770.38	
		\$ 644,047.69
Securities Owned.....		815,290.07
Mines, Real Estate, Plant and Development at Cost	7,070,311.54	
Less Reserve for Depletion...	554,109.96	
		6,516,201.58
		<u>\$ 7,975,539.34</u>

LIABILITIES

Accounts Payable.....	\$ 311,604.84	
Bills Payable.....	500,000.00	
Bank Cheques Outstanding..	13,183.47	
		\$ 824,788.31
Liability Insurance Reserve.....		21,421.86
Capital Stock—Paid up.....	6,212,666.66	
Profit and Loss Account.....	916,662.51	
		\$ 7,129,329.17
		<u>\$ 7,975,539.34</u>

ELIAS ROGERS,
Treasurer.

PROFIT AND LOSS ACCOUNT

Year Ending 31st December, 1913

Balance at Credit—December 31, 1912.....	\$ 419,423.94	
Balance at Credit of Subsidiary Companies at December 31, 1912	26,773.16	
	<hr/>	\$ 446,197.10
Profits from Lands, Timber, Subsidiary Companies and Other Sources.....	82,406.05	
Profit on Coal and Coke Operations.....	388,059.36	
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Total Net Profits for year ending December 31, 1913.....		470,465.41
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Balance Carried Forward to January 1, 1914.....	\$ 916,662.51	
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ELIAS ROGERS,
Treasurer.

TORONTO, ONT., March 13th, 1913.

*To the Shareholders,
The Crow's Nest Pass Coal Company, Limited.*

DEAR SIRS,—

I beg to report that I have audited the books and accounts of The Crow's Nest Pass Coal Company, Limited, for the year ending 31st December, 1913.

I certify that the appended Balance Sheet is a true and correct statement of the Company's position as shown by their books as at 31st December, 1913.

HENRY J. WELCH,
Chartered Accountant.

TORONTO, ONT., March 9th, 1914.

THE PRESIDENT'S ADDRESS

In moving the adoption of the Report, Mr. Elias Rogers, President of the Company, said:

I do not think there is any occasion for my making any lengthy remarks at this time, but there are a few things I think ought to be mentioned.

Owing to criticisms which have been made of the present management and the present Board with which the name of Mr. James J. Hill has been coupled, I think the time has come when an explanation of the actual facts should be made.

When I was with the Company in the early days of its history as Managing Director, I was to some extent responsible, together with others, for inducing Mr. Hill, or himself and associates, to buy a considerable amount of stock in the Company at a large premium. As a result of that connection, the Great Northern Railway built a branch line from Rexford on its Main line to Fernie and Michel, and have ever since been the Company's largest customer, and I can say without fear of possible contradiction, that Mr. Hill has been the best friend the Company ever had. Since I was elected to my present position, there has been no interference with the management of the Company's affairs, and there is absolutely no truth in the report which has been industriously circulated, that the Company's property was being used for the benefit of the Great Northern Railway and the Granby Smelting & Refining Company to the detriment of other Shareholders. I am myself a minority Shareholder, and have been ever since 1899, and what is to my interest is to the interest of every shareholder, both small and large.

When I came into office as President in 1909, the Company was owing a million dollars on Demand Notes in New York. It was also indebted to Canadian Banks and under obligations in connection with contracts to the extent of approximately half a million dollars more. As shown by the Statement before you,

there is no indebtedness to Canadian Banks on the 1st of January last, and the Accounts Receivable were more than sufficient to pay the Accounts Payable. It should also be remembered that after I assumed office, owing to the introduction and use of oil for locomotive purposes in the West, there has been a very large falling off in the use of coal, otherwise the output would have been more largely increased. Then during the past year, with the exception of one or two months, owing to dull trade on the railways, they did not call for the normal amount for locomotive use.

The Statement speaks for itself, the only further explanation necessary for me to make is that the New York indebtedness had on the 1st of January been reduced to \$500,000. This, in addition to payment of all Canadian obligations. Since the 1st of January we have paid another \$50,000.00 in New York, and the indebtedness there to-day stands at \$450,000.00. Our interest account has been reduced approximately \$35,000.00 for the year. As shown by the Statement, there has been set aside for Reserve and Depreciation, \$554,109.96. This amount was thought necessary on account of former depreciation. A large sum has also been put into the property in betterments charged to the cost of coal, and my own estimate from personal inspection is that the property is improved, as an operating proposition, to the extent of at least One million dollars over what it was two or three years ago, and I think this estimate will be borne out by any competent mine operator. Of course we have not spent anything like that sum in the property on Capital Account. The accounting has not been done with a view to making a book showing, but there has been an earnest effort to get the Company's affairs on a sound financial basis. The year 1913 is in reality the best year in the history of the Company, although the Statement does not show quite as large profits as the previous year.

Mr. W. R. Wilson, the present General Manager of the Company, deserves the highest praise for his skilful management of the Company's mines and property. In this connection, I may add further that there has been hearty co-operation on the part of all the Officials of the Company, for which all are entitled to credit. This has been exceedingly gratifying to me personally, and I am sure will be appreciated by all the Shareholders.

Mr. Wilson is present, having come direct from the mines, and knowing the situation right up to date, after the motion has been moved for the adoption of the Report, I will ask him to address the Shareholders, and go more into detail as to what has been accomplished, although, of course, it will be impossible in the time at his disposal to give anything like a full statement.

I beg to move the adoption of the Report and will ask Mr. Whitney, Vice-President of the Company, to second the motion, after which the Shareholders are at liberty to ask any questions.

Mr. E. C. Whitney, Vice-President of the Company, seconded the motion to adopt the Report.

An opportunity was then given for questions.

SHAREHOLDER: How do you account for the fact that although you have mined over one hundred thousand tons more of coal this year than the year before your profits are less?

THE CHAIRMAN: I think Mr. Wilson will answer that question. I can answer it, but I prefer to leave it to Mr. Wilson.

MR. W. R. WILSON: The less profits are due to excessive and abnormal development. During the year 1913, we have redeveloped Old No. 2 Mine, Coal Creek. This Mine was lost in October, 1907. We have also redeveloped Old No. 1 and No. 9 Mines through the fault at Tipple level, or driven dead work tunnels to a position through the fault from where both seams of coal can readily be developed. No. 1 Mine was abandoned in September, 1906. All No. 2 Mine development and the greater part of No. 9 has been charged to the Cost of Coal.

SHAREHOLDER: Might I ask if any part of Expendi-

ture on Development and Improvements of Mines and Plant (1913) \$178,004.35 is that the item that you have just mentioned when you redeveloped No. 2 and opened No. 3 Mine.

THE CHAIRMAN: Practically none.

SHAREHOLDER: What was it spent on?

MR. WILSON: During the year we have driven 7,215 feet of Rock Tunnel in the different Mines, a small part of which was done in making permanent air drifts through fault to No. 2 Mine. All coal work developed during the year was charged to Cost of Coal. The magnitude of coal development may be better illustrated by giving the total number of feet driven in coal development in the different mines in the form of Main Tunnel driven which amounts to a total of 45,965 feet. This work under the old system of accounting was charged to development work, but during 1913 was charged to Operative Cost. This, I think, will answer the question satisfactorily.

Then turning to the physical conditions of the mines, the output from Coal Creek Mines during 1909 amounted to 420,000 tons. The production for 1913 to 920,000 tons, thereby showing an increase of 116 per cent. over 1909. I might further state that in addition to the preceding development, Coal Creek Mines are now in a position to produce, or outlined to produce, not less than 100,000 tons more during 1914 than they produced during 1913, which increased output from the new work outlined through the fault in No. 9 Seam, and from "B" and No. 2 Mines.

Then diverting to Michel: During 1913 the greater part of the production or 234,181 tons came from

No. 3 Mines, which shows an increase of 354 per cent. over and above the output of 66,000 tons that came from the same source during 1910.

During 1913 the big Fault that cut off the operations in No. 3, No. 4 and No. 5 Mines in past years has been exploited and proven. No. 3 Slopes, Old No. 3 Mine, have been driven through the fault, opening up a seam of coal behind the fault that should prove a valuable asset to this mine, for from this additional source of development we hope to materially increase the output during 1914.

In addition to the preceding items of described development, we have opened two new Mines on the North Side of the valley at Michel, or opened No. 8 seam above the level of old No. 8 workings, and No. 8 North seam at a point about 1,500 feet to the West of No. 1, New No. 8. From those two new openings, we expect to produce about 150,000 tons of coal during 1914. When you add all the new development work together that has been done during 1913, the mines in physical outline show an aggregate improvement of about 400,000 tons over the output of 1913. This increased or outlined development more fully explains the slightly increased cost over the year of 1912.

Nineteen thirteen proved a very unfortunate year for the Railroad part of the operations. The hard stormy weather that prevailed during the early months of the year was accompanied by a serious runaway accident from Coal Creek Mines. The train crew losing control of the train, two locomotives and fifteen cars were seriously damaged in the accident.

SHAREHOLDER: Is there any rock work contemplated for this year?

MR. WILSON: Yes, some allowance will have to be made for new rock work, probably about one-third of the amount spent in this class of work last year.

The motion was put and carried without dissent.

THE CHAIRMAN: The next item on the Agenda is the appointment of Auditors for the coming year. I might say that we have added a firm instead of one man in view of the fact that there is always a possibility of an Auditor not being able on account of health or some other reason to attend to audit the books, so this year we are proposing to make a firm Auditors.

On motion of Mr. W. H. Robinson, seconded by Mr. N. Ainley, Messrs. Lawson, Welch & Co., Chartered Accountants, were appointed Auditors of the Company for the ensuing year.

On motion of Mr. Henry Swan, seconded by Mr. J. F. Edgar, By-law No. 137, being a By-law to amend By-law No. 18, relating to the filling of a vacancy on the Board of Directors, was confirmed; also By-law No. 138, being a By-law to amend By-law No. 21 as amended by By-laws Nos. 97, 120 and 134, was further amended so that meetings of the Board may be held elsewhere than at the Head Office of the Company, as the Directors may elect, was confirmed.

On motion of Mr. F. W. O'Flynn, seconded by Mr. R. H. Shipman, it was resolved that the thanks of the Shareholders are due, and are hereby tendered to the Officers of the Company for their zeal and effective services in the interest of the Company during the past year.

On motion of Mr. W. H. Robinson, seconded by Mr. E. C. Whitney, it was resolved that Mr. J. F. Edgar and Mr. W. Crocker, be appointed Scrutineers for the election of Directors.

On motion of Mr. James Gunn, seconded by Mr. Beverley Jones, the following gentlemen were nominated as Directors of the Company for the ensuing year:

Elias Rogers, E. C. Whitney, Col. W. P. Clough, H. B. McGiverin, W. H. Robinson, Dr. G. W. Howland, and Ellis P. Earle.

The Chairman put the motion which was carried.

THE CHAIRMAN: I might mention in this connection that the only reason for the change in Mr. Graves' name is that it is impossible for him to attend. He lives in Spokane and it is impossible for him to come that distance to attend meetings. Mr. Earle takes his place.

SHAREHOLDER: Should not the Shareholders have something on dividend basis. It means a good deal more to some of the Shareholders than to the Board possibly.

THE CHAIRMAN: It is a question for the Board to act upon, and the Board has not acted as yet. We are glad to know the wishes of the Shareholders whether small or large, but I think no one, if they look into the matter carefully, can help realizing that the Board are trying to serve the interests of the Shareholders to the best possible extent.

Mr. Whitney moved, seconded by Mr. Robinson, and carried, that the Chairman cast one ballot on behalf of the Shareholders and in favor of the names

nominated as Directors of the Company, for the ensuing year.

The Scrutineers reported the gentlemen nominated as having been duly elected Directors for the year 1914.

The Meeting then adjourned.

At a subsequent meeting of the Directors, the following Officers were elected:

President.....	MR. ELIAS ROGERS
Vice-President.	MR. E. C. WHITNEY
Treasurer.....	MR. ELIAS ROGERS
Secretary.....	MR. R. M. YOUNG
Assistant Secretary.....	MISS L. M. KELLEY



